



Soho Housing Annual Report and Accounts 2025-2026

Group Information

Chair	Andrew Billany (to 3 March 2026) Andy McWilliams (from 3 March 2026)	
Board members	Barbara Brownlee – ex officio Flora Charatan Anne Costain (from 1 April 2026) Angela Drum (from 1 April 2026) Rosemary Farrar (to 31 March 2026) Tony Ganio Harry Harris Khevyn Limbajee Rachel Miller Kath Scanlon Kerry Tromanhauser	
Secretary	Jane Harrison	
Executive team	Barbara Brownlee Jane Harrison Annemarie Roberts Darko Glavas Dermot Moloney John Wallace	Chief Executive Finance Director Interim Operations Director (to September 2025) Interim Operations Director (from September 2025 to 11 January 2026) Operations Director (from 12 January 2026) Commercial Director
Registered office	18 Hanway St, London W1T 1UF	
Principal solicitors	Devonshires	30 Finsbury Circus, London EC2M 7DT
Principal bankers	Lloyds Bank	39 Threadneedle Street, London EC2R 8AU
External auditors	Buzzacott Audit LLP	130 Wood Street, London, EC2V 6DL
Registrations	Registered with Regulator of Social Housing: LH1321 Registered Co-operative & Community Benefit Society: 20784R	

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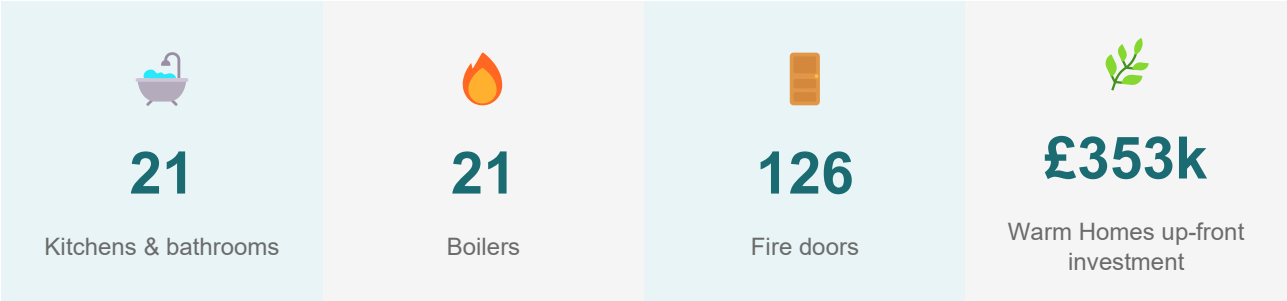
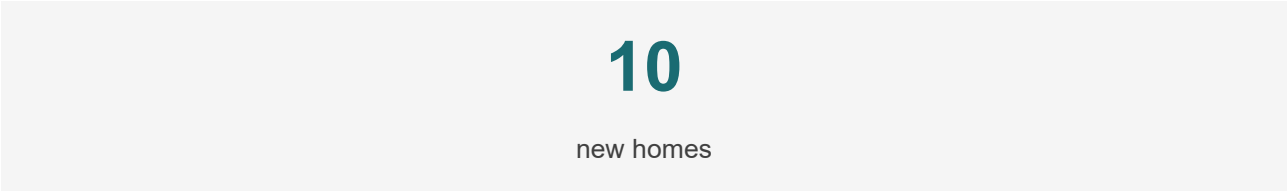
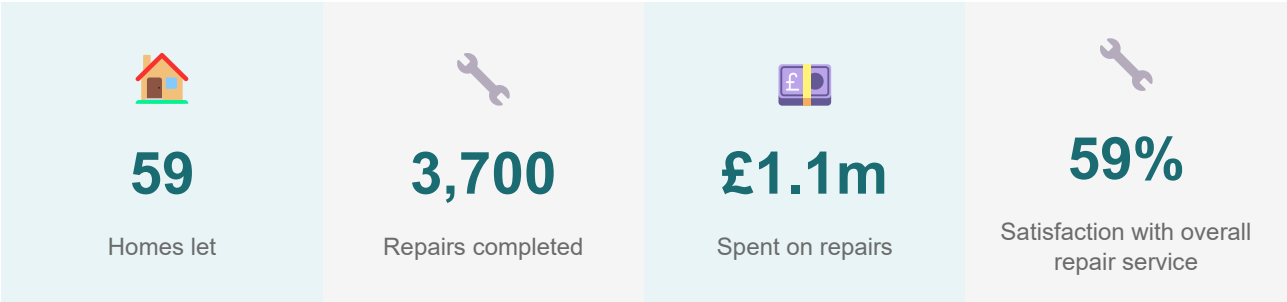
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Performance Highlights 2025-26



Chair's Report



It is a privilege to write this Chair's report for the first time, having joined the Board on 3 March 2026. From the outset, I have been struck by the dedication of our staff, the commitment of our Board colleagues, and — above all — the resilience of the residents and communities we exist to serve.

I would like to begin by recording my sincere thanks to Andrew Billany, whose steady leadership as Chair during a period of transition ensured continuity and stability for the organisation. Andrew's willingness to stay on to support a smooth handover was invaluable, and the whole Board is grateful for his service.

Ensuring effective succession and maintaining the right mix of skills on the Board has been a key focus this year. We completed a Board recruitment exercise to strengthen expertise in housing finance and governance, supporting continuity as Rosemary Farrar and Kerry Tromanhauser come to the end of their terms. We extend our sincere thanks to both for their significant contributions.

We are pleased to welcome Angela Drum and Anne Costain as new Board members. Anne has taken on the role of Chair of the Audit and Risk Committee, and Angela will assume the role of Chair of the People and Governance Committee. Both bring valuable experience and fresh perspectives that will enhance our oversight and strategic leadership.

Alongside this, we are continuing to strengthen the resident voice within our governance arrangements, recognising the importance of resident insight and experience in shaping our decisions and priorities. We have recently launched a dedicated resident Board member recruitment campaign to support this ambition. This is about ensuring that lived experience plays a meaningful role in informing our strategy and strengthening accountability, rather than simply being represented.

Our Resident Services Committee has continued to develop and find its voice during the year. Establishing a new committee of this kind takes time, and we are encouraged by the progress made. Members are increasingly confident in scrutinising performance and making meaningful contributions to how we deliver services to residents. We look forward to the Committee playing an ever more prominent role in the year ahead.

A key priority this year has been ensuring we truly know and understand our housing stock. We completed 100% external stock condition surveys across our portfolio, complemented by a programme of internal. This evidence base is essential: you cannot make sound investment decisions, plan effectively, or give residents confidence about the quality of their homes without it. This work feeds directly into the development of our Asset Management Strategy, which will provide a clear, long-term framework for how we invest in and manage our properties.

We have also begun developing our corporate strategy. This is foundational work that will set our direction for the years ahead — informed by what we know about our assets, our residents' needs, and the operating environment in which we work. We look forward to sharing more as this work matures.

As Chair, I am determined that we remain firmly rooted in the communities where we operate and continuously focused on the experience of our residents. Living in central London brings particular pressures — the cost of living, housing demand, and neighbourhood challenges all affect our tenants' daily lives.

We know that some of our residents are dealing with very difficult circumstances, including antisocial behaviour (ASB). We take this seriously. This year we have invested in our housing management team and brought on board a dedicated ASB Specialist Officer. This reflects our understanding that feeling safe in your home and neighbourhood is not a luxury — it is a fundamental part of what we owe to our residents. We are committed to responding more swiftly, more consistently, and more effectively to ASB concerns going forward.

The year ahead will bring both challenge and opportunity. We will introduce our new corporate strategy, embed our resident Board recruitment and ensure lived experience is genuinely woven into how we make decisions. We will progress our asset management strategy, using what we have learned from our stock surveys to prioritise investment wisely and maintain high-quality homes.

We will continue to grow the capability of our Board and committees, deepen our engagement with residents, and hold ourselves to the highest standards of governance and transparency. Most importantly, we will keep our residents at the heart of everything we do.

I am proud to serve as Chair of this organisation, and I look forward to working alongside our Board, our staff, and our residents to build on the solid foundations we have laid this year.



Andy McWilliams
Chair of the Board



Report of the Board and Strategic Report

Background

Established in 1974, Soho Housing (the Association) provides homes for some 1,500 people in Central London, across two Boroughs: Westminster and Camden. Many of our properties are in Soho and Covent Garden, as well as in the Queens Park and St John's Wood areas. The Association is a charity and most homes are at social rents, less than 35% of market rent levels, making them more affordable for people on low incomes.



The Association works closely with local community groups and stakeholders such as the Soho Society, Covent Garden Community Association, West End Community Trust, local businesses and the Soho Neighbourhood Forum to strengthen local communities. Investment income generated from the small market rent and commercial property portfolio is used to support community activities as well as investment in new and existing homes. It is this aspect, together with the focus on a tight geographic area of Central London, that differentiates the Association from other housing associations.

The Association's Development Strategy has been updated as part of the Corporate Strategy 2026-30 and outlines a 5-year programme to develop at least 30 new homes that will run alongside a substantial major works programme focusing on building safety and affordable warmth.

We have been awarded £1m Warm Homes funding that will improve thermal efficiency in over 100 homes over the next three years, matched by £1m investment by the Association.

In April (2025) we acquired ten flats in a development between Gloucester Place and Baker Street. The flats are part of the s106 planning agreement between the developers, Derwent, and Westminster Council. All the flats have been let providing high quality, modern homes for our residents.

Structure

The Association is the parent of a wholly owned subsidiary, Soho Limited, a company limited by shares, which was established as a brand to oversee commercial and joint venture activities.



Strategic objectives

The Association was established 50 years ago with a clear focus to improve housing conditions in Soho and protect existing home for local people and the local community. The organisation has grown, now providing more than 800 homes in central London with over 90% being social housing at affordable rents. We are a unique social business providing homes in the heart of one of the most expensive cities in the world for people who would otherwise be unable to afford to live there. Our mission is *to support the unique communities that sustain diversity in the heart of London by providing affordable homes, commercial lettings and excellent service for our residents.*

The mission is underpinned by the Association's strategic imperatives: to provide safe, secure and affordable homes for our residents; maintain a financially sound business; manage our investment portfolio to support future developments and investments; and ensure risks are appropriately managed and mitigated. Our new Corporate Strategy (2026-2030) places our residents at the heart of what we do and our targets for 2026-27 have been identified to support that strategic delivery.

Performance against targets for 2025-26 and plans for the new year (2026-27) are summarised overleaf.

Customer

Secure high levels of customer satisfaction and engagement through our local knowledge, expertise and commitment to customer service.

Key Target	Outcomes	Next Steps
Increase customer satisfaction year on year	- Our overall customer satisfaction, measured in line with the Regulator of Social Housing (RSH) Tenant Satisfaction Measures (TSMs) (see table below) was 52% for 2025-26, lower than our target of 65% but an improvement on last year (50%) - The improvement reflects the benefit of the action taken last year to introduce a new operating model with a dedicated customer service team as first point of contact. - There is more to do. We have appointed a specialist ASB officer to support our housing officer team and are investing in additional resource in property services to strengthen that part of the business. The first step was the appointment of a new Senior Asset and Repairs Manager in March 2026.	- Our main target for the new financial year is to increase overall customer satisfaction to 65% by the end of March 2027. - Since the year-end we have reviewed the resource within the property services team and an initial appointment is a major works surveyor, starting in June. - To properly record all resident contact and cases on our housing management system so we can track contacts and make sure issues are answered and/or resolved.

Tenant Satisfaction performance 2025-26

Soho Housing – Tenant Satisfaction Measures

TSM ref	Measure	2025-26	2024-25	Change
TP01	Overall satisfaction with Soho Housing	52%	50%	↑
TP02	Satisfaction with overall repair service	59%	49%	↑
TP03	Satisfaction with time taken to complete most recent repair	55%	51%	↑
TP04	Satisfaction that the home is well maintained	53%	54%	↓
TP05	Satisfaction that the home is safe	68%	66%	↑
TP06	Satisfaction that the landlord listens to tenant views and acts upon them	47%	48%	↓
TP07	Satisfaction that the landlord keeps tenants informed about things that matter to them	69%	62%	↑
TP08	Agreement that the landlord treats tenants fairly and with respect	71%	68%	↑
TP09	Satisfaction with the landlord's approach to handling complaints	28%	28%	↔
TP10	Satisfaction that the landlord keeps communal areas clean and well-maintained	73%	71%	↑
TP11	Satisfaction that the landlord makes a positive contribution to neighbourhoods	62%	62%	↔
TP12	Satisfaction with the landlord's approach to handling anti-social behaviour	54%	49%	↑

Key Target	Outcomes	Next Steps
Best in class modern customer processes	The planned work on the customer portal is anticipated in 2026-27 (as identified in last year's plans). We have successfully introduced a new module for recording and responding to complaints (June 2026); and a module to improve how we record and respond to reports of damp & mould as well as other legal expectations for health and safety is undergoing user testing.	Planned link from the new website to the Dynamics portal is part of a self-serve project anticipated to re-commence in 2026-27.
Know our customers	- Tenancy audits were much slower to introduce than anticipated last year, mainly due to the staff changes in the housing team. The audits have now recommenced (May 2026). - Complaints handling has been a continuing focus, with the appointment of a specialist officer to make sure we meet expectations of our tenants and the Housing Ombudsman. Tenant satisfaction with handling of complaints has improved and although still low at 28% (2025: 26%) it is above average of our peers (23%).	- New policy, procedure, training and quality control established for complaints handling. 90% of complaint responses issued on time.

Property

Actively managing our assets to provide safe, quality homes and business spaces.

Key Target	Outcomes	Next Steps
Complete stock condition survey and confirm major works programme	- Full external stock condition survey of all properties completed in 2024-25 and the programme of internal stock condition surveys is substantially complete - Stock investment programme continued with investment in kitchens and bathrooms as well as fire safety works. Reinvestment indicator 4.5% (2025: 4.5%) 98% Decent Homes compliant with 15 properties in one block receiving works to address over-heating	- Internal stock condition surveys for all properties continues in 2026-27, to inform future investment programmes - Major works surveyor will oversee planned and cyclical works
Safe and sustainable properties and operations	- Compliance KPIs identified and reported regularly to Executive team and Board. 100% gas compliance 99% electrical compliance (legal action taken to access property) 100% fire risk assessments - Initiation of Warm Homes programme following approval of grant application in July 2025.	- On-going oversight of compliance including prompt action to access homes where necessary (100% electrical compliance by April) - Delivering investment programme to improve energy performance of stock, with initial focus on 100 lower-performing homes.

Investment and growth

Identifying new business and active investment strategies for sustainable long-term growth.

Key Target	Outcomes	Next Steps
Sustainable growth to underpin strong long-term performance	- Long-term financial model updated, reviewed, stress-tested and approved by Board - High level approach to ESG includes 'fabric first' with a focus on improving energy efficiency through better windows with double or triple glazing wherever possible and roof insulation for existing homes	Implementation of updated development strategy that delivers modest growth across a mix of tenures funded through mix of borrowing, grant and internal subsidy from asset disposals and investment returns
Manage investments to enhance long-term value	Commercial strategy has proved successful with strong demand for 'prime' sites and no empty properties and increase in value of commercial investment portfolio in a challenging economic climate	Active asset management to maintain long-term value of investment portfolio, within strategic constraints eg restrictions on types of business within portfolio to maintain community place and balance
Robust commercial asset management	Uplift in value of investment properties (£1.1m) - demonstrable impact of commercial asset management initiatives – splitting units, increasing demand and overall rent; and strong lettings. A small downwards revaluation of the market rent portfolio reflects a softening rental market.	- Close management of the commercial estate will continue in order to maximise investment income and value. - Alternative market rent tenures explored including direct short-lets



Finance

Growing surpluses to enhance capital value and support investment in new and existing homes.

Key Target	Outcomes	Next Steps
Strong financial management to achieve target operating margin	Budgets scrutinised throughout the year to identify and implement cost savings delivering overall operating margin of 21% (target: 24%). Whilst lower than original target the margin was in line with forecast out-turn that reflected higher repairs spend during the year	Targeting cost efficiencies across all areas of the business, in particular housing operations and central services, to deliver improved operating margin and strengthen interest cover
Drive business performance and value for money	Staff changes meant the review of procurement policy and practice is deferred until 2026-27 although preparatory work continued including data cleanse of current suppliers and new supplier approval process	- Enhance business partnering to support the business and drive value for money - Review of procurement policy and practice to identify scope for VfM savings and strengthen service quality
Internal controls effectively mitigate risk and secure compliance	Full integration of Business Central System (BCS) with the Dynamics CRM housing management system has presented challenges for the business, particularly implementation of the end-to-end purchase to pay process.	- Continue to work with Esuasive (system supplier) to ensure identified issues fully resolved, alongside staff training to realise full benefits of automation - Review and update procedural guidance and staff induction

People

Building a high-performance culture with a clear, shared purpose in an amazing place to work.

Key Target	Outcomes	Next Steps
Exemplary team know-how and expertise to deliver purpose	- Remote working forms part of a 'hybrid' working arrangement, with most team members working two or three days a week in the office - Mandatory training in key areas for all staff has continued, with targeted training to deliver on personal development plans (including apprenticeships)	Develop training programme to focus on technical and professional skills that enhance expertise across the team
Consistently improve staff engagement	Exit interviews highlighted scope for improvement in communication but indicated satisfaction with direct line management	- People strategy developed during 2026-27 as part of the Corporate Strategy implementation - Full staff survey and staff conference during 2026-27
Give people the tools they need to do their jobs well	IT equipment, including phones, are matched to need	- On-going equipment replacement programme to ensure fit for purpose - Planned office move will enhance working conditions

Governance

The Association has a committed body of shareholders including residents and people with local connections or business interests. Two shareholder meetings are held each year to consider and approve board member applications; and review organisation performance and direction.

The Association's board comprises up to eleven non-executive members plus the chief executive with meetings taking place at least quarterly. Details of board members, who have a broad range of knowledge and experience, are included on page 1. Under the Association's rules a maximum of three residents may serve as board members at one time.

Our appointments policy for non-executive board and sub-committee members is skills-based and aims to ensure appropriate representation reflecting business need and the communities in which we operate as we focus on equality, diversity and inclusion. Members undergo a comprehensive induction programme with on-going training provided through attendance at conferences as well as formal training opportunities. Each member is expected to attend at least 80% of meetings each year and all board members are subject to regular performance appraisal.

The board members who served throughout 2025-26 and up to the date of this report are listed on page 1. Non-executive board members are not remunerated and indemnity insurance was provided through our insurance brokers, AJG throughout the 2025-26 period. Cover is now provided through Jensten.

Soho Housing Board Providing strategic oversight in delivery of corporate objectives

Audit and Risk Committee

Overseeing risk management strategy, financial and other internal controls systems, standards of probity and internal and external audit

Members:
Anne Costain (Chair)
Flora Charatan
Rachel Miller
Kerry Tromanhauser
Jonathan Rae - independent member

People and Governance Committee

Responsible for remuneration; Board recruitment and effectiveness; governance and conduct; and committee effectiveness

Members:
Kerry Tromanhauser (Chair)
Angela Drum
Andy McWilliams
Flora Charatan

Resident Services Committee

Focus on the resident voice and scrutiny, in particular for customer-related policies, procedures and activities

Members:
Kerry Tromanhauser (Chair)
Tony Ganio
9 residents

Investment and Development Committee

Overseeing commercial activities, development and major works programmes. Considering new opportunities and raising business profile

Members:
Harry Harris (Chair)
Andy McWilliams
Khevy Limbajee
Rachel Miller
Kath Scanlon

The Board, supported by the People and Governance Committee, regularly reviews its composition and that of its committees, and undertakes an annual evaluation of performance. A Resident Services Committee was established as a Board sub-committee in July 2024 to strengthen resident scrutiny and enhance the resident voice.

An independent Board effectiveness review, completed in May 2025, identified succession planning as a key priority, alongside the need to better embed equality, diversity and inclusion within the wider business strategy.

Strengthening the resident voice at Board level remains a priority for the Board, Executive and shareholders. Recruitment during 2025–26 prioritised Chair succession and strengthening expertise in finance and housing governance. The focus for 2026-27 is to bring resident experience to the Board with recruitment of resident board members underway and expected to be complete by the AGM in September.

Code of Governance

The Association adopted the National Housing Federation's 'Code of Governance 2020' (the Code) in November 2021, committing to uphold it and keep to the high standards expected. Compliance with the Code is reviewed annually by the Audit and Risk Committee and Board. The Board has agreed a gradual reduction in board member term of office to 6 years, with provision to extend an individual member's term up to a maximum of 9 years, should this be deemed necessary. Our Standing Orders do not permit any extension after 9 years. The Code sets an expectation of a 6-year term and other than in those exceptional circumstances relating to maximum terms, there are no areas of non-compliance.

Resident involvement

Soho Housing Association has strengthened tenant involvement by introducing a Resident Services Committee into its formal governance structure. The Committee is made up of nine resident members and two board members. This committee plays a central role in ensuring that tenants have a meaningful voice and can influence the way services are shaped and delivered. By embedding resident involvement into the governance structure, Soho Housing has shown a strong commitment to transparency and resident led decision making.

The Committee plays an important role in the ongoing scrutiny of Tenant Satisfaction Measures (TSMs) and monitoring compliance and performance across key service areas, and as the committee's role develops, it will remain a key mechanism for ensuring that the voices of residents are embedded in decision-making and performance oversight. One of the key outputs of the committee to date has been the co-production of Service Standards. These have been developed jointly by residents, Board and staff to ensure that they reflect the expectations and priorities of those living in Soho Housing's homes. By involving residents in shaping these standards, the association is better able to deliver services that meet real needs and improve the overall tenant experience.

Equality and diversity

We are committed to the Equality, Diversity and Inclusion (EDI) principles set out in the Code and to promoting equality, diversity and inclusion in all our activities, processes and culture. The Association's EDI Policy underpins our culture and operations, including board member and staff behaviours, however we recognise that the policy needs to be regularly reviewed and challenged to make sure that it remains relevant.

Soho Housing is a member of HouseProud, a national network aiming to raise awareness of LGBTQ+ issues across the sector and is signed up to the LGBTQ+ Housing Pledge scheme, gaining LGBTQ+ Housing Pioneer status in 2024. The pledge demonstrates our commitment to LGBTQ+ resident equality and support and provides a framework aimed at increasing LGBTQ+ visibility and input into policy and procedures.

Financial performance

The Board is pleased to report an operating surplus for the year of £2,360k (2025: £2,671k). Whilst lower than the previous year, the margin remains above average compared to many housing providers who, like Soho, are facing increasing costs for property improvements, repairs and fire safety, alongside higher costs associated with dealing with anti-social behaviour.

Five-year summary:

Statement of Comprehensive Income	2025-26	2024-25	2023-24	2022-23	2021-22
	£'000	£'000	£'000	£'000	£'000
Turnover:					
Social housing activities	8,584	8,269	7,676	7,082	6,769
Non-social housing activities	2,667	2,703	2,850	2,449	1,812
	11,251	10,972	10,526	9,531	8,581
Operating costs:					
Social housing activities	(7,646)	(7,087)	(6,636)	(6,174)	(5,760)
Non-social housing activities	(1,245)	(1,044)	(863)	(824)	(669)
	(8,891)	(8,131)	(7,499)	(6,998)	(6,429)
(Loss)/gain on disposal of assets	-	(170)	(160)	-	573
Operating surplus – social housing	938	1,182	1,040	908	1,009
Operating surplus – non-social housing	1,422	1,660	1,827	1,625	1,143
Operating surplus – all activities	2,360	2,671	2,867	2,533	2,725
Interest	(2,034)	(2,111)	(2,081)	(1,770)	(1,563)
Movement in the valuation of investment properties	1,054	1,821	(558)	2,328	3,320
Surplus/(deficit) for the year	1,380	2,381	228	3,091	4,482
Movement in the valuation of pension	31	37	(133)	(101)	74
Total comprehensive income/(expense)	1,411	2,418	95	2,990	4,556

Statement of Financial Position at 31 March	2026	2025	2024	2023	2022
	£'000	£'000	£'000	£'000	£'000
Fixed assets:					
Housing properties and other assets	103,485	101,608	101,694	98,491	96,841
Investment properties	60,735	59,428	58,894	63,677	60,043
	164,220	161,036	160,588	162,168	156,884
Net current (liabilities)/assets	(2,166)	3,173	771	843	4,893
Total assets less current liabilities	162,054	164,209	161,359	163,011	161,777
Debt	(31,512)	(34,767)	(33,269)	(34,858)	(36,220)
Deferred grant and other long-term liabilities	(45,734)	(46,045)	(47,710)	(47,269)	(47,663)
Net assets	84,808	83,397	80,979	80,884	77,894
Reserves	84,808	83,397	80,979	80,884	77,894

Statistics	2025-26	2024-25	2023-24	2022-23	2021-22
Operating margin	21%	24%	27%	27%	32%
Operating margin – social housing activities	11%	14%	14%	13%	15%
Operating margin – social housing lettings	14%	18%	18%	16%	18%
Surplus/(deficit) as % of turnover	13%	22%	1%	32%	52%
Properties owned and managed	No	No	No	No	No
General needs housing	746	736	737	738	732
Market-rented housing	23	23	22	25	23
Low-cost home ownership and leasehold	42	42	42	42	42
	811	801	801	805	797
Commercial properties	34	34	36	35	34

Net current liabilities at the year-end were £2.2 million reflecting the inclusion of a loan within current liabilities that fell due for repayment in June 2026. The repayment has been funded in the short term through the existing revolving credit facility and the year-end position reflects our treasury policy not to draw down funds in advance of need.

The Board continues to keep the treasury policy and strategy under close review to ensure that funding arrangements and new plans remain aligned with the Association's long-term objectives.

The movement in surplus from last year is summarised in the 'profit bridge' below:

	£'000	
Total comprehensive income 2024-25	2,418	
Rent and service charge uplift – social housing	286	Inflation-linked rent increase (CPI+1%) together with 10 new properties added at the beginning of the year (George Street)
Maintenance and service cost increase – social housing	(490)	Increased costs of day-to-day maintenance of both individual homes and communal areas, such as fire safety, boiler servicing and electrical testing, which contributed to the overall high spend.
Management cost increase – social housing	(211)	Higher staff costs reflect the high staff turnover at the beginning of the year and associated temporary resource.
Lower return from investment properties	(181)	Lower net income due to a high volume of voids during the year, and maintenance investment needed to keep properties at the required standard
Loss on disposal of investment property	170	No property disposals during 2025-26
Other	116	Lower service costs due to tighter management of costs, especially the utility costs.
Reduction in operating surplus	(310)	
Increase in net interest payable	77	
Movement in pension valuation	(6)	
Investment property valuation surplus	(768)	Overall increase in property valuation, was less than the previous year
Total comprehensive income 2025-26	<u>1,411</u>	

Operating performance has been below original expectations with performance reflecting an operating margin of 21% (2025: 24%). Social housing activities performance has also been lower than expected with high day-to-day repair costs a key factor. We experienced high staff turnover in the housing team, particularly in the early part of the year, leading to additional spend on temporary staff to provide essential cover. Our expectation is that higher staffing costs will remain a feature as we've invested in specialist resource to cover key areas that matter to our residents including complaints management and ASB.

Going forward our medium-term ambition remains to increase the operating margin from social housing activities towards 30%, although this will be tempered by inflationary pressures on maintenance costs and higher staff costs. The additional investment in both repairs and staffing has led to improved tenant satisfaction and our aim is to continue to place residents at the heart of what we do and continue to invest in their homes.

The commercial portfolio was fully let at the year-end with a number of financially robust and exciting new brands joining as well as existing tenants entering into new, longer-term agreements. The strength of the

customer base continues to help us ‘buck the trend’ in a more generally suppressed commercial property market with an uplift of £2.1m in the year-end valuation of commercial stock. The market rent properties, more directly affected by a volatile residential rental market, experienced a small decrease in value resulting in an overall surplus on revaluation for the year of £1.1m.

Accounting treatment of the movements in valuations of pension deficit and of investment properties means that the total annual reported surplus or deficit may swing considerably from year to year, depending on the assumptions adopted at a point in time.

Value for Money

Value for money is about being effective in the way we plan, manage and operate our business. Our focus on sustaining the diversity of Central London by providing affordable homes and excellent service is the core of our strategy. In order to keep on delivering, it is essential that we apply financial rigour to improve our operating performance and generate greater returns from our assets.

The Association’s approach to value for money is centred on making the best use of its resources to deliver safe, well-maintained homes and quality services for residents, while maintaining a strong and sustainable financial position.

During the year, reinvestment increased to 3%, reflecting continued investment in building safety, major works and energy efficiency improvements. The addition of ten new affordable homes in April 2025 is reflected in the new social housing supply metric of 1.4%. Delays in completion of the s106 development on South Molton Street meant we missed the new supply target of 3% for the year but the development is anticipated within the next year.

The Association continues to benefit from a relatively low level of gearing at 31%, compared with the comparator average of 42%, indicating capacity to support future investment in existing homes, sustainability initiatives and new affordable housing.

Operating margins and Earnings Before Interest, Tax Depreciation and Amortisation – Major Repairs Included (EBITDA MRI) interest cover were suppressed by higher repairs and maintenance costs, alongside investment in building safety and service improvements. The focus for the year ahead remains improving operational efficiency, strengthening operating performance and ensuring that investment delivers lasting value for residents and communities.

The ‘Sector Scorecard’ performance measures for the last three years are set out below against the target for 2025-26 (commentary above) and a benchmark based on reported performance of six smaller registered providers based in London.

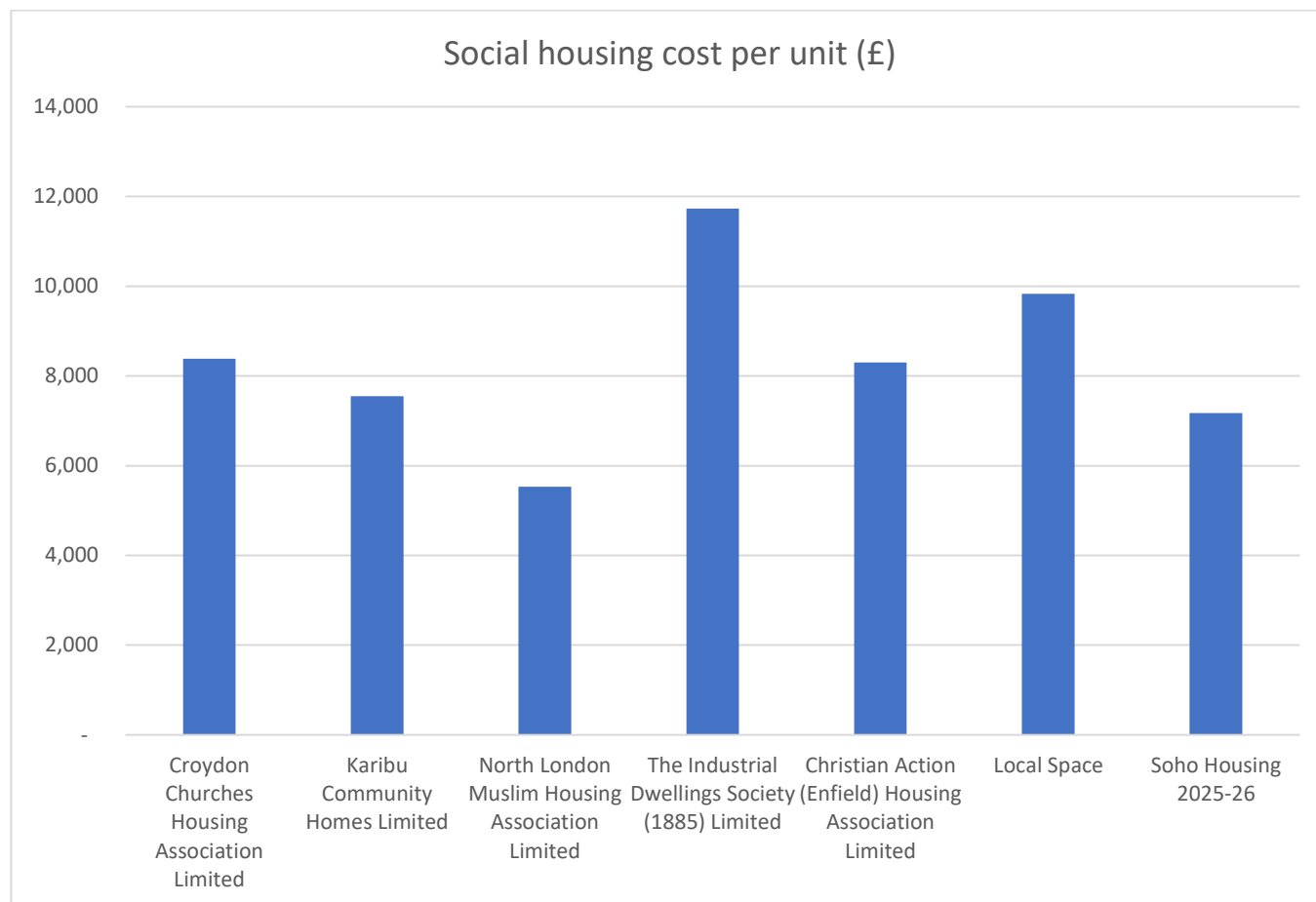
Performance measures

	2025-26 actual	2024-25 actual	2023-24 actual	Target 2025-26	Target met	Benchmark 2024-25	Target 2026-27
Reinvestment	3%	1%	5%	5%	✗	2%	4%
New Supply Delivered – Social	1%	0%	0%	3%	✗	0%	2%
New Supply Delivered – Non-Social	0%	0%	0%	0%	✓	0%	0%
Gearing	31%	30%	30%	34%	✓	42%	32%
EBITDA MRI Interest Cover	102%*	136%	-10%	126%	✗	121%**	123%
Headline Social Housing Cost per Unit	£9,472	£9,238	£13,119	£9,992	✗	£8,549	£9,729
Operating Margin – Social Housing Lettings	14%	18%	18%	20%	✗	23%	19%
Operating Margin – Overall	21%	24%	27%	24%	✗	25%	23%
Return on Capital Employed (ROCE)	2%	2%	2%	2%	✓	3%	2%

*Excludes agreed covenant carve out (see commentary below)

**Excludes one comparator RP with negative EBITDA-MRI. Average with the negative figure was 53%

Benchmark data is taken from the Value for Money (VfM) metrics published by the Regulator of Social Housing for 2025, and the comparator group was selected based on location and size (≤ 1500 properties): Croydon Churches, Karibu, North London Muslim Housing Association, The Industrial Dwellings Society, Christian Action (Enfield) and Local Space.



In last year's value for money statement key future plans were continuation of the major works and planned repairs programme, in particular fire door replacements, kitchen and bathroom replacements and cyclical decorating programmes. We have made good progress with the fire-related costs including fire door but the cyclical programme was delayed and is included in a larger programme for 2026-27.

Other plans for 2026-27 include continuing planned investment, with a focus on energy performance and environmental impact using the Warm Homes funding that supports our drive to EPC C by 2030. We plan to bear down on day-to-day housing management and maintenance costs with a view to improving value for money from services for our residents, balanced by prompt responses to requests for repairs so we continue our progress in improving our tenant satisfaction performance.

The Association's long-term financial plan has been updated and approved by Board. Stresses applied to the model focused on liquidity and cost inflation. Key mitigations include maintaining cash reserves at least equivalent to 2-months expenditure; a five-year Revolving Credit Facility; and regular updates for Board on the long-term financial model and budget, as well as standard treasury updates each quarter.

Our on-going development strategy targets at least 30 more new homes over the next 5 years. Over the next year we expect to deliver 11 homes through the s106 development at South Molton Street, having taken the 10 flats at the Gloucester Place development into management in April (2025). We have identified a further 25 homes through s106 developments that are expected to complete over the next four years. Alongside that we are members of the North River Alliance, providing development support for 'hidden homes' identified from our existing footprint. Our funding proposals include use of internal subsidy from investment activities as well as a limited disposals programme, in line with the approved asset management strategy, and some limited grant funding, where possible.

Risk

Key risks to the delivery of the Association's plans are identified, reviewed and revised throughout the year by the Executive, Audit and Risk Committee and Board and are summarised below.

Risk	Comments	Mitigation
Commercial Portfolio	Economic volatility may reduce rental income from commercial assets. For the Association the commercial portfolio not only delivers a commercial return but also support our social imperative	Active asset management to sustain occupancy and rental income Close engagement with tenants to support retention and reduce void periods Regular monitoring of arrears and tenant failure risk
Climate Change and Sustainability	The Association must future-proof homes to meet energy efficiency expectations and reduce environmental impact	Progression of Warm Homes retrofit programme Continued EPC data collection and asset intelligence improvement Investment planning incorporating long-term carbon reduction priorities
Financial Viability	Rising inflation, higher borrowing costs, investment in building safety, and debt servicing pressures are key financial risks. As a smaller provider, maintaining liquidity and meeting lender covenants remain ongoing priorities.	Regular review and stress-testing of the Long-Term Financial Model (LTFM) Active treasury management, including debt profiling and interest rate monitoring Tight budget control and in-year reforecasting Maintenance of adequate liquidity through cash reserves and revolving credit facility
Consumer Compliance	Delivering safe, decent homes and ensuring the safety of residents, staff, and contractors, alongside meeting updated Consumer Standards, is a key priority.	Implementation of Awaab's Law compliance monitored through governance structures Strengthened internal audit and compliance assurance programme Weekly compliance monitoring and reporting to senior leadership Continued oversight by Board, Audit & Risk, and Resident Services Committees

Risk	Comments	Mitigation
Stock Condition and Decency	The need to understand and invest in the stock portfolio is critical, particularly in the context of labour shortages, material inflation, and decarbonisation targets.	Completion of external surveys and progress on internal surveys Data-led asset management and investment planning Procurement through compliant frameworks to manage cost and delivery risk Dedicated resource (e.g. Major Works Surveyor) to oversee programme delivery
Service Delivery & Accountability	Tenant satisfaction, transparency, and governance expectations are increasing. Cyber security risk relating to capture, storage and security of resident data. Failure to deliver responsive services may impact performance, tenant trust, and regulatory compliance.	Implementation of co-produced service standards Strengthening housing and complaints handling teams, including specialist roles Enhanced use of systems (CRM) to track and manage cases Strengthened cyber and data controls Regular reporting of Tenant Satisfaction Measures (TSMs) to committees
Workforce Capacity and Capability	Attracting and retaining skilled staff and contractors is a sector-wide challenge. Capacity constraints could impact delivery of services and programmes.	Workforce planning aligned to strategic priorities Targeted recruitment to strengthen key service areas Investment in training and professional development Effective contractor management and use of frameworks to supplement internal capacity

Internal Controls Assurance

The Board acknowledges its ultimate responsibility for ensuring the Association has in place a system of controls that is appropriate to the various business environments in which it operates and for monitoring its effectiveness. The system is designed to manage the risk of failure to achieve business objectives and give reasonable assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing and has been in place throughout the year under review and up to the date of approval of the report and accounts. The Board has delegated the authority for overseeing risk management and internal controls assurance to the Audit and Risk Committee but receives regular updates on risk and controls assurance. A summary of the main policies the Board has established and the processes it has adopted is set out below:

- Formal policies and procedures approved, including clearly defined management responsibilities for the identification and control of significant risks.
- Financial forecasts, budgets and business plans support the Board and management as they monitor key business risks and progress towards financial objectives set for the year and the medium term. The budget, approved by Board in advance of the financial year, is reforecast in the second half of the financial year to ensure targets set by Board are achieved.
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures by the Board, in line with clear delegations.
- The Board has approved anti-fraud, anti-bribery and anti-corruption policies.
- A treasury policy and strategy has been approved by the Board with key treasury risks including liquidity, covenant compliance, counterparty risk and interest rate risk reviewed quarterly.
- The Board has delegated responsibility to the Audit and Risk Committee to agree the strategic internal audit programme and review and report to the Board on reports from management, from the internal auditors, Menzies, and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed.

A fraud register is maintained and is reviewed by the Audit and Risk Committee at each meeting. There were no financial frauds recorded in the year but a greater focus is being placed on identifying and addressing tenancy fraud, in particular sub-letting property in highly desirable areas of central London. The Board receives and reviews the minutes of Audit and Risk Committee meetings.

In 2024, the Board identified weaknesses in complaints handling which resulted in findings of maladministration by the Housing Ombudsman. In response extensive corrective actions have been implemented, including improving communication with residents, and appointing specialist roles. We are pleased to report that the Housing Ombudsman has confirmed appropriate measures have been established to strengthen processes, oversight and consistency in complaints handling.

Going concern

After making enquiries, the Board has a reasonable expectation that the overall group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months after the date on which the report and financial statements are signed. Key factors considered in coming to this decision are:

- Long-term (30-year) financial model supports the Association's current and future plans
- Stress-testing of the long-term financial model included increases in inflation and interest rates; and identified mitigations
- Short-term cashflow scrutiny shows funding is in place to meet expected commitments including investment works and some limited development over the next twelve months
- Early warning 'triggers' agreed to identify emerging issues and risks; and confirm pre-emptive action
- Treasury policy 'golden rules' confirmed to aid risk management

For this reason, it continues to adopt the going concern basis in the financial statements.

Statement of responsibilities of the Board for the Annual Report and Accounts

The Board is responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations.

Co-operative and Community Benefit Society legislation requires the Board to prepare financial statements for each financial year. Under that law, the Board has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and association will continue in business; and
- State whether applicable United Kingdom Accounting Standards and the Statement of Recommended Practice: Accounting for registered social housing providers (Housing SORP: 2018 update) have been followed, subject to any material departures disclosed and explained in the financial statements.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the group and association's transactions and disclose with reasonable accuracy at any time the financial position of the group and association and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022 (Accounting Direction 2022). They are also responsible for safeguarding the assets for the group and association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for ensuring that the Strategic Report is prepared in accordance with the Statement of Recommended Practice for registered social housing providers (Housing SORP: 2018 update).

At the date of making this report, each of the Board members, as set out on page 1, confirms that in so far as each member is aware:

- There is no relevant information needed by the group's auditors in connection with preparing this report of which the group's auditors are unaware; and
- Each member has taken all the steps that he or she ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Financial statements are published on the Association's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Association's website and that of its subsidiary Soho Limited, is the responsibility of the Board. The Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

Statement of compliance

The Board has undertaken an assessment of the Association's compliance with the governance and financial viability standard as required by the Accounting Direction 2022. The Board confirms that no evidence of non-compliance has been identified since the last report.

In preparing the strategic report, the Board has followed the principles set out in the Statement of Recommended Practice for registered social housing providers (Housing SORP: 2018 update).

Annual general meeting

The annual general meeting will be held on 16th September 2026.

External auditors

Buzzacott Audit LLP have indicated their willingness to continue as our external auditors, and their re-appointment will be proposed at the forthcoming annual general meeting.

The report of the Board was approved by the Board on 20th July 2026 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Andy McWilliams', with a stylized, cursive script.

Andy McWilliams
Chair of the Board

Independent auditor's report to the members of Soho Housing Association Limited

We have audited the financial statements of Soho Housing Association Limited (the 'Association') and its subsidiary (together the 'Group') for the year ended 31 March 2026 which comprise the Group and Association Statement of Comprehensive Income, the Group and Association Statement of Financial Position, the Group and Association Statement of Changes in Reserves, the Consolidated Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Association's affairs as at 31 March 2026, and of the income and expenditure of the Group and Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing in England 2022.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board members with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The Board members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on Which We are Required to Report by Exception

We have nothing to report in respect of the following matters where we are required by the Co-operative or Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 to report to you if, in our opinion:

- the information given in the Report of the Board for the financial year for which the financial statements are prepared is not consistent with the financial statements; or
- adequate accounting records have not been kept by the parent Association; or
- a satisfactory system of control has not been maintained over transactions; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Association's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the statement of Board's responsibilities set out on page xx, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board is responsible for assessing the Group's and the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate the Group or the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (the Statement of Recommended Practice for registered housing providers: Housing SORP 2018, the Housing and Regeneration Act 2008, the Accounting Direction for Private Registered Providers of Social Housing 2022, tax legislation, health and safety legislation, and employment legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.
- We enquired of the Board and reviewed correspondence and Board meeting minutes for evidence of non-compliance with relevant laws and regulations. We also reviewed controls the Board have in place, where necessary, to ensure compliance.

- We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud
- Discussions with management about actual or potential litigation and claims;
- Challenging assumptions made by management in their significant accounting estimates;
- Identifying and testing the appropriateness of journal entries and assessing whether the judgements made in making accounting estimates were indicative of a potential bias;
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Regulator of Social Housing to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility; and
- Reviewing financial statements disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditors-responsibilities. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the Association's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014 and Section 128 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott Audit LLP, Statutory Auditor

130 Wood Street
London
EC2V 6DL

10 August 2026

Statement of Comprehensive Income

	Note	Year ended 31 March 2026		Year ended 31 March 2025	
		Group	Association	Group	Association
		£'000	£'000	£'000	£'000
Turnover	2	11,251	11,251	10,972	10,972
Operating expenditure	2	(8,891)	(8,891)	(8,131)	(8,131)
Loss on disposal of assets	2	-	-	(170)	(170)
Operating surplus	2	<u>2,360</u>	<u>2,360</u>	<u>2,671</u>	<u>2,671</u>
Interest receivable		60	60	96	96
Interest payable and financing costs	6	(2,094)	(2,094)	(2,207)	(2,207)
Increase in valuation of investment properties	13	1,054	1,054	1,821	1,821
Surplus for the year		<u>1,380</u>	<u>1,380</u>	<u>2,381</u>	<u>2,381</u>
Actuarial gain in respect of pension scheme	10	31	31	37	37
Total comprehensive income for the year		<u><u>1,411</u></u>	<u><u>1,411</u></u>	<u><u>2,418</u></u>	<u><u>2,418</u></u>

The notes on pages 30 to 58 form an integral part of these accounts. All activities relate to continuing operations.

The financial statements on pages 26 to 58 were approved by the Board on 20th July 2026 and signed on its behalf by:

Board Member:



Andy McWillaims

Board Member:



Anne Costain

Secretary:



Jane Harrison

Statement of Financial Position

	Note	31 March 2026		31 March 2025	
		Group £'000	Association £'000	Group £'000	Association £'000
Fixed assets					
Tangible fixed assets	12	103,263	103,263	101,387	101,387
Investment properties	13	60,735	60,735	59,428	59,428
Other Investments		222	222	221	221
		<u>164,220</u>	<u>164,220</u>	<u>161,036</u>	<u>161,036</u>
Current assets					
Trade and other debtors	14	2,229	2,229	2,399	2,399
Cash and cash equivalents	15	3,333	3,333	5,186	5,186
		<u>5,562</u>	<u>5,562</u>	<u>7,585</u>	<u>7,585</u>
Creditors: amounts falling due within one year	16	(7,728)	(7,757)	(4,412)	(4,441)
Net current (liabilities)/assets		<u>(2,166)</u>	<u>(2,195)</u>	<u>3,173</u>	<u>3,144</u>
Total assets less current liabilities		<u>162,054</u>	<u>162,025</u>	<u>164,209</u>	<u>164,180</u>
Creditors: amounts falling due after more than one year	17	(76,988)	(76,988)	(80,366)	(80,366)
Pension liability	10	(258)	(258)	(446)	(446)
Net assets		<u>84,808</u>	<u>84,779</u>	<u>83,397</u>	<u>83,368</u>
Reserves					
Non-equity share capital	21	-	-	-	-
Income and expenditure reserve		49,923	49,894	49,566	49,537
Revaluation reserve		34,885	34,885	33,831	33,831
		<u>84,808</u>	<u>84,779</u>	<u>83,397</u>	<u>83,368</u>

The notes on pages 30 to 58 form an integral part of these accounts.

The financial statements on pages 26 to 58 were approved by the Board on 20th July 2026 and signed on its behalf by:

Board Member:



Andy McWillaims

Board Member:



Anne Costain

Secretary:



Jane Harrison

Statement of Changes in Reserves

Group	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2024	47,710	33,269	80,979
Surplus for the year	2,381	-	2,381
Actuarial gain in respect of the pension scheme	37	-	37
Transfer from revaluation reserve to income and expenditure reserve – disposal of asset	1,259	(1,259)	-
Transfer from income and expenditure reserve to revaluation reserve – revaluation of investment properties	(1,821)	1,821	-
Balance at 31 March 2025	49,566	33,831	83,397
Surplus for the year	1,380	-	1,380
Actuarial gain in respect of pension scheme	31	-	31
Transfer from revaluation reserve to income and expenditure reserve – disposal of asset	-	-	-
Transfer from income and expenditure reserve to revaluation reserve – revaluation of investment properties	(1,054)	1,054	-
Balance at 31 March 2026	49,923	34,885	84,808
Association	Income and expenditure reserve £'000	Revaluation reserve £'000	Total £'000
Balance at 1 April 2024	47,681	33,269	80,950
Surplus for the year	2,381	-	2,381
Actuarial gain in respect of pension scheme	37	-	37
Transfer from revaluation reserve to income and expenditure reserve - disposal of asset	1,259	(1,259)	-
Transfer from income and expenditure reserve to revaluation reserve – revaluation of investment properties	(1,821)	1,821	-
Balance at 31 March 2025	49,537	33,831	83,368
Surplus for the year	1,380	-	1,380
Actuarial gain in respect of pension scheme	31	-	31
Transfer from income and expenditure reserve to revaluation reserve – revaluation of investment properties	(1,054)	1,054	-
Balance at 31 March 2026	49,894	34,885	84,779

The notes on pages 30 to 58 form an integral part of these accounts

Consolidated Statement of Cashflows

	Note	Year ended 31 March 2026 £'000	Year ended 31 March 2025 £'000
Net cash generated from operating activities (see below)		3,881	2,190
Cash flow from investing activities			
Purchase of tangible fixed assets – housing properties		(3,189)	(1,142)
Purchase of tangible fixed assets – other assets		(118)	(94)
Purchase of investment assets		(253)	(16)
Disposal of investment properties		-	1,249
Purchase of investments		-	(221)
Grants received		306	-
Recycled grants repaid		(63)	-
Interest received		60	96
Cash flow from financing activities			
Interest paid		(1,827)	(2,201)
Debt issue costs		(7)	(262)
New secured loans		-	10,549
Repayment of borrowings		(643)	(9,676)
Net change in cash and cash equivalents		(1,853)	472
Cash and cash equivalents at beginning of the year		5,186	4,714
Cash and cash equivalents at end of the year		3,333	5,186
		£'000	£'000
Cash flow from operating activities:			
Surplus for the year		1,380	2,381
Adjustments for non-cash items:			
Depreciation of tangible fixed assets		1,433	1,446
Amortisation of government grant		(484)	(453)
Issue cost amortisation		182	-
Deficit on disposal of assets - land		-	170
(Increase)/decrease in trade and other debtors		170	(385)
Increase/(decrease) in trade and other creditors		559	(1,014)
Increase in leaseholder and sinking funds		112	(47)
Adjustment for defined benefit pension payment		(189)	(198)
Revaluation of investment properties		(1,054)	(1,821)
Adjustments for investing or financing activities:			
Interest payable		1,832	2,207
Interest received		(60)	(96)
Net cash generated from operating activities		3,881	2,190

The notes on pages 30 to 58 form an integral part of these accounts.

Notes to the Financial Statements

Legal Status

Soho Housing Association Limited is incorporated in England under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Homes and Communities Agency as a Private Registered Provider of Social Housing. The registered office is 18 Hanway St, W1T 1UF.

The group comprises the following entities:

Name	Incorporation	Registered Provider
Soho Housing Association Limited	Co-operative and Community Benefit Societies Act 2014	Registered
Soho Limited	Companies Act 2006	Not registered

1. Accounting Policies

Basis of Accounting

The Group's financial statements have been prepared in accordance with applicable United Kingdom Accounting Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice for registered housing providers: 'Accounting by registered social housing providers (Housing SORP: 2018 update)'. The Group is required under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 to prepare consolidated Group accounts.

The financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, the Housing and Regeneration Act 2008 and the Accounting Direction for private registered providers of social housing 2022. The accounts are prepared on the historical cost basis of accounting as modified by the revaluation of investments and are presented in sterling.

The Group's financial statements have been prepared in compliance with FRS102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The Group is a public benefit entity group, and the Association is a public benefit entity, as defined by FRS 102.

Parent entity disclosure exemptions

In preparing the separate financial statements of the parent entity, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent;
- Disclosures in respect of the parent's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

The consolidated financial statements incorporate the results of Soho Housing Association Limited and all of its subsidiary undertakings as at 31 March 2026 using the acquisition method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition, being the date, the Group obtains control.

Going concern

The Group's financial statements have been prepared on a going concern basis which assumes an ability to continue operating for the foreseeable future. In arriving at this conclusion, the Board has reviewed short and longer-term forecasts (beyond twelve months from the date the financial statements are authorised for issue), including stress-testing key assumptions, to confirm adequate cash, resources and compliance with lender covenants.

Notes to the Financial Statements

1. Accounting Policies (continued)

"In the light of the current macroeconomic environment, including ongoing inflationary pressures and interest rate uncertainty, those key assumptions tested include inflation and interest rates, in particular a possible differential between rent and cost inflation.

Judgements and key sources of estimation and uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

- a. **Development expenditure.** The Group capitalises development expenditure in accordance with the accounting policy described below. Initial capitalisation of costs is based on management's judgement that development scheme is confirmed, usually when Board approval has taken place including access to the appropriate funding. In determining whether a project is likely to cease, management monitors the development and considers if changes have occurred that may result in impairment.
- b. **Categorisation of properties as housing properties, investment properties or other fixed assets.** In determining the intended use of housing properties, the Group has considered if the asset is held for social benefit, shared ownership, market rented or to earn commercial rentals. Wherever possible costs are allocated between the units based on actual costs incurred with common costs being allocated based on a combination of floor areas and expected future net revenue streams. Components are written off at net book value when replaced. The Group has determined that market rented housing property and commercial properties are investment properties.
- c. **Impairment of housing properties and other fixed assets.** The housing property portfolio for the Group is assessed for indicators of impairment at each statement of financial position date. Where indicators are identified, a detailed assessment is undertaken to compare the carrying amounts of assets or cash generating units for which impairment is indicated to their recoverable amounts. Impairment indicators include void levels, changes in regulation that impact on future rent levels, the outcome of stock condition surveys and external changes which impact on future cash flows (for example maintenance costs). An options appraisal is carried out to determine the option that produces the highest net realisable value. Valuations on rental return or potential sale proceeds are used to inform the options. The Group considers the net realisable value, under the options available, when assessing the recoverable amount for the purposes of impairment assessment. The recoverable amount is the higher of the fair value less costs to sell or value in use of an asset or cash generating unit. The assessment of value in use may involve considerations of the service potential of the assets or cash generating units concerned or the present value of future cash flows to be derived from them, appropriately adjusted to account for any restrictions on their use. No properties have been valued at value in use-service potential.
- d. **Financial instruments.** Consideration of whether a loan is basic under FRS102 is based on terms and conditions of the loan.

Notes to the Financial Statements

1. Accounting Policies (continued)

Other key sources of estimation and assumptions:

- a. **Tangible fixed assets.** Other than investment properties, tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- b. **Revaluation of investment properties.** Investment properties consist of commercial properties and other properties not held for social benefit or for use in the business. Investment properties are carried at fair value determined annually by qualified valuers and derived from market evidence for comparable properties.
- c. **Trade and other debtors.** Management exercise judgement relating to the recoverability of outstanding rental and other trade receivables. A review is performed regularly to assess the recoverability of these accounts.
- d. **Pension and other post-employment benefits.** Management's estimate of the defined benefit obligation relating to the Association's past service deficit in the Social Housing Pension Scheme is based on a number of underlying assumptions such as standard rates of inflation, mortality and discount rates. Variation in these assumptions may significantly impact the defined benefit obligation. Further details are given in note 10.

Joint Ventures and Associates

An entity is treated as a joint venture where the Group holds an interest and shares control under a contractual arrangement with one or more parties external to the Group.

An entity is treated as an associated undertaking where the Group has a participating interest and exercises significant influence over its operating and financial policies.

In the Group accounts, joint ventures are accounted for using the equity method whereby an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the venture. The consolidated income and expenditure account indicates the Group's share of the joint venture's turnover and includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings based on audited financial statements. In the consolidated balance sheet, the Group's share of the identifiable gross assets (including any amortised premium paid on acquisition) and its share of the gross liabilities attributable to its joint venture are shown separately.

Any premium on acquisition is dealt with under the goodwill policy.

Turnover and revenue recognition

Turnover represents rental income receivable, amortised capital grant, income from the sale of shared ownership and other properties developed for outright sale and other income and is recognised in relation to the period when the goods or services have been supplied.

Rental income is recognised in revenue on a time apportioned basis and is stated net of voids. Income from property sales is recognised on legal completion.

Support income and costs

Support charges included in rent (as service charges) are matched against the relevant costs.

Notes to the Financial Statements

1. Accounting Policies (continued)

Service charges

Service charge income and costs are recognised on an accruals basis. The Association operates variable service charges on a scheme-by-scheme basis in full consultation with residents. Where variable service charges are used the charges may include an allowance for the surplus or deficit from prior years, with the surplus being returned to leaseholders by a reduced charge and a deficit being recovered by a higher charge.

Where periodic expenditure is required, a provision may be built up over the years, in consultation with the residents; until these costs are incurred this sinking fund liability is held in the Statement of Financial Position.

Investment Income

Interest income is recognised using the effective interest method.

Loan interest costs

Loan interest costs are calculated using the effective interest method of the difference between the loan amount at initial recognition and amount of maturity of the related loan.

Loan finance issue costs

Issue costs are amortised over the life of the related loan. Loans are stated in the Statement of Financial Position at the amount of the net proceeds after issue. Where loans are redeemed during the year, any redemption penalty and any connected loan finance issue costs are recognised in the Statement of Comprehensive Income account in the year in which the redemption took place.

Taxation

The Association's activities are charitable and therefore not liable to tax, to the extent that any surpluses are applied to the charitable objects. The subsidiary distributes any taxable profits to the Association and no provisions for corporation or deferred tax have been recognised.

Value Added Tax

The Group charges VAT on part of its income and is able to recover part of the VAT it incurs on expenditure. All amounts disclosed in the accounts are inclusive of VAT to the extent that it is not recoverable.

Tangible fixed assets and depreciation:

Housing properties

Tangible fixed assets are stated at cost, less accumulated depreciation. Donated land/assets or assets acquired at below market value from a government source are included in the Statement of Financial Position at fair value less consideration paid. Property disposals are recognised on completion.

Housing properties under construction are stated at cost and are not depreciated. They are transferred to completed schemes on practical completion and depreciated accordingly.

Freehold land is not depreciated.

Where a housing property comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement or renewal of components is capitalised as incurred.

The Association depreciates freehold housing properties by component on a straight-line basis over the estimated UELs of the component categories.

Notes to the Financial Statements

1. Accounting Policies (continued)

UEs for identified components are as follows:

	Years
Structure	125
Roofs	70
Bathrooms	30
Windows	30
Doors	30
Lifts	50
Kitchens	20
Electrics	30
Heating source	15

The Association depreciates housing properties held on long term leases in the same manner as freehold properties, except where the unexpired lease term is shorter than the longest component life envisaged, in which case the unexpired term of the lease is adopted as the useful life of the relevant component category.

Depreciation is charged on other completed tangible fixed assets on a straight-line basis over the expected useful lives which are set out below. The transferred value (from investments) is treated as land and not depreciated.

	Years
Office refurbishment	10
Fixtures & fittings	4 - 10
Computer equipment	5 - 7

Low cost home ownership properties

The costs of low-cost home ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and the sale proceeds shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset and subsequent sales treated as sales of fixed assets.

Capitalisation of interest and administration costs

Interest on loans financing development is capitalised up to the date of the completion of the scheme and only when development activity is in progress.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property into their intended use.

Property managed by agents

Where the Group carries the majority of the financial risk on property managed by agents, income arising from the property is included in the Statement of Comprehensive Income. Where the agent carries the majority of the financial risk, income includes only that which relates solely to the Group.

In both cases, the assets and associated liabilities are included in the Statement of Financial Position.

Leasing and hire purchase

Operating leases and payments are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received on leases to enter into operating lease agreements are released to Statement of Comprehensive Income over the term of the lease.

Notes to the Financial Statements

1. Accounting Policies (continued)

Investment property

Investment property includes commercial and other properties not held for the social benefit of the Group. Investment property is measured at cost on initial recognition, which includes purchase cost and any directly attributable expenditure, and subsequently at fair value at the reporting date. Fair value is determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location, or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Non-government grants

Grants received from non-government sources are recognised under the performance model. If there are no specific performance requirements the grants are recognised when received or receivable. Where grant is received with specific performance requirements it is recognised as a liability until the conditions are met and then it is recognised as turnover.

Social housing assistance and other government grants

Where developments have been financed wholly or partly by social housing assistance (SHA) and other grants, the amount of the grant received has been included as deferred income and recognised in turnover over the estimated useful life of the associated asset structure (not land), under the accruals method.

When SHA in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

SHA must be recycled under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHA can be used for projects approved by the Greater London Authority. SHA may have to be repaid if certain conditions are not met. If grant is not required to be recycled or repaid, any unamortised grant is recognised as turnover. In certain circumstances, SHA may be repayable, and, in that event, is a subordinated unsecured repayable debt.

Non-monetary government grant

On disposal of assets for which non-repayable government grants are held as liabilities in the Statement of Financial Position, the unamortised amount in creditors is released as income in the Statement of Comprehensive Income.

Recycling capital grant

Where SHA is recycled, as described above, the SHA is credited to a fund which appears as a creditor until used to fund the acquisition of new properties. Where recycled grant is known to be repayable it is shown as a creditor within one year.

Employee Benefits

A liability is recognised to the extent of any employee benefits including unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted cost to the employees of the future holiday entitlement and accrued at the balance sheet date.

Notes to the Financial Statements

1. Accounting Policies (continued)

Pension costs

The Association has in the past participated in the multi-employer defined benefit Social Housing Pension Scheme (SHPS) although it has now closed this defined benefit scheme to new and existing members. The Association's obligation for past service deficits remains.

Under defined benefit accounting the Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the Statement of Financial Position. The current service cost and costs from settlements and curtailments are charged to operating surplus. Past service costs are recognised in the current reporting period. Interest is calculated on the net defined benefit liability. Re-measurements are reported in other comprehensive income.

Reserves

The income and expenditure reserve represent the accumulated surplus generated by the Group or Association since its formation.

The revaluation reserve represents the difference between the fair value of investment properties and their historical cost carrying value. The revaluation reserve forms part of the income and expenditure reserve but is shown separately for information.

Financial instruments

Financial assets and financial liabilities are measured at transaction price initially, plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the end of each reporting period, financial instruments are measured as follows, without any deduction for transaction costs the entity may incur on sale or other disposal:

Debt instruments that meet the conditions in paragraph 11.8(b) of FRS 102 are measured at amortised cost using the effective interest method, except where the arrangement constitutes a financing transaction. In this case the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt.

Other financial instruments are classified as basic and are held at amortised cost.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is any objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

The following financial instruments are assessed individually for impairment:

- a. All equity instruments regardless of significance; and
- b. Other financial assets that are individually significant.

Other financial instruments are assessed either individually or grouped on similar credit risk characteristics.

Notes to the Financial Statements

1. Accounting Policies (continued)

An impairment loss is measured as follows on the following instruments measured at cost or amortised cost:

- a. For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- b. For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting an allowance account. The reversal cannot result in a carrying amount (net of any allowance account) which exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal is recognised in profit or loss immediately.

Notes to the Financial Statements

2(a). Turnover, cost of sales, operating expenditure and operating surplus

Group	2026		
	Turnover £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings (note 3)	8,476	(7,259)	1,217
Other social housing activities			
Development costs not capitalised	-	(387)	(387)
Management fees	56	-	56
Other income	52	-	52
	<u>108</u>	<u>(387)</u>	<u>(279)</u>
Non-social housing activities			
Commercial properties	1,911	(749)	1,162
Market rent housing	756	(486)	260
	<u>2,667</u>	<u>(1,245)</u>	<u>1,422</u>
Total	<u>11,251</u>	<u>(8,891)</u>	<u>2,360</u>

Group	2025		
	Turnover £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings (note 3)	8,213	(6,710)	1,503
Other social housing activities			
Development costs not capitalised	-	(377)	(377)
Management fees	56	-	56
	<u>56</u>	<u>(377)</u>	<u>(321)</u>
Non-social housing activities			
Commercial properties	1,939	(716)	1,223
Market rent housing	764	(328)	436
	<u>2,703</u>	<u>(1,044)</u>	<u>1,659</u>
Loss on disposal of investment asset	-	-	(170)
Total	<u>10,972</u>	<u>(8,131)</u>	<u>2,671</u>

Notes to the Financial Statements

2(b). Turnover, cost of sales, operating expenditure and operating surplus

	2026		
Association	Turnover £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings (note 3)	8,476	(7,259)	1,217
Other social housing activities			
Development costs not capitalised	-	(387)	(387)
Management fees	56	-	56
Other income	52	-	52
	<u>108</u>	<u>(387)</u>	<u>(279)</u>
Non-social housing activities			
Commercial properties	1,911	(749)	1,162
Market rent housing	756	(496)	260
	<u>2,667</u>	<u>(1,245)</u>	<u>1,422</u>
Total	<u>11,251</u>	<u>(8,891)</u>	<u>2,360</u>

	2025		
Association	Turnover £'000	Operating expenditure £'000	Operating surplus £'000
Social housing lettings (note 3)	8,213	(6,710)	1,503
Other social housing activities			
Development costs not capitalised	-	(377)	(377)
Management fees	56	-	56
	<u>56</u>	<u>(377)</u>	<u>(321)</u>
Non-social housing activities			
Commercial properties	1,939	(716)	1,223
Market rent housing	764	(328)	436
	<u>2,703</u>	<u>(1,044)</u>	<u>1,659</u>
Loss on disposal of investment asset	-	-	(170)
Total	<u>10,972</u>	<u>(8,131)</u>	<u>2,671</u>

Notes to the Financial Statements

3. Turnover and operating expenditure

	2026	2025
Group and association	£'000	£'000
Income		
Rent receivable net of identifiable service charges	7,002	6,780
Service charge income	990	975
Amortised government grants	484	458
Turnover from social housing lettings	<u>8,476</u>	<u>8,213</u>
Operating expenditure		
Management	(1,571)	(1,360)
Service charge costs	(1,496)	(1,604)
Routine maintenance	(2,366)	(1,623)
Planned maintenance	(273)	(576)
Major repairs expenditure	(332)	(282)
Bad debts	19	(8)
Depreciation of housing properties	(1,240)	(1,257)
Operating expenditure on social housing lettings	<u>(7,259)</u>	<u>(6,710)</u>
Operating surplus from social housing lettings	<u>1,217</u>	<u>1,503</u>
Void losses (being rental income lost as a result of property not being let, although it is available for letting)	<u>93</u>	<u>86</u>

Notes to the Financial Statements

4. Accommodation owned and managed, and under development

	2026	2025
	Number	Number
Social Housing		
Under development at end of year:		
General needs housing social rent	11	21
Under management:		
General needs housing at start of year	736	737
Transferred from development	10	-
Leased to Soho Limited as investment properties	-	(1)
General needs housing at end of year	746	736
Low-cost home ownership at start and end of year	2	2
	748	738
Non-Social Housing		
Under management at end of year:		
Market-rented investment properties	23	23

5. Accommodation managed by others

Soho Housing owns investment property that is leased to and managed as social housing by other bodies:

	2026	2025
	Number	Number
Centrepont Soho Limited	26	26
St Mungo's Broadway	12	12
	38	38

Notes to the Financial Statements

6. Interest and financing costs

	31 March 2026		31 March 2025	
	Group	Association	Group	Association
	£'000	£'000	£'000	£'000
Defined benefit pension charge	38	38	41	41
Recycled capital grant fund	5	5	5	5
Financing costs	262	262	66	66
On loans wholly or partly repayable in more than five years	1,789	1,789	2,095	2,095
	<u>2,094</u>	<u>2,094</u>	<u>2,207</u>	<u>2,207</u>
Less: interest capitalised on housing properties under construction	-	-	-	-
	<u>2,094</u>	<u>2,094</u>	<u>2,207</u>	<u>2,207</u>

The weighted-average interest rate on borrowings of 4.78% (2025: 5.78%) was used to calculate capitalised finance costs.

7. Surplus on ordinary activities

	2026 £'000	2025 £'000
The operating surplus is stated after charging/(crediting):		
Auditor's remuneration (excluding VAT):		
Audit of the group financial statements	36	35
Audit of subsidiaries	3	3
Fees payable to the company's auditor and its associates for other services to the group:		
Service charge certification	4	4
Other	7	1
Operating lease rentals:		
- Land and buildings	-	-
- Office equipment	-	-
Depreciation of housing properties	1,240	1,257
Depreciation of other fixed assets	<u>193</u>	<u>192</u>

Notes to the Financial Statements

8. Board members and executive directors

Directors (key management personnel) are defined as members of the Board, the Chief Executive and any other person who is a member of the Executive Team.

Non-executive members of the Board are not remunerated. Expenses of £860 were paid to Board members during the year.

	2026	2025
	£'000	£'000
Aggregate emoluments paid to or receivable by executive directors and former executive directors, including pension contributions	<u>557</u>	<u>518</u>
The aggregate compensation paid to or receivable by directors	<u>82</u>	<u>-</u>
Emoluments paid to the highest-paid director, excluding pension contributions	<u>135</u>	<u>131</u>

The Association does not contribute to any pension or pension scheme for the Chief Executive.

Notes to the Financial Statements

9. Employees

The average number of persons employed during the year, expressed in full-time equivalents (35 hours per week) was:

	Group		Association
	2026	2025	2026
	No.	No.	No.
Office staff	<u>26</u>	<u>25</u>	<u>26</u>
			<u>25</u>

Staff costs:

	Group		Association
	2026	2025	2026
	£'000	£'000	£'000
Wages and salaries	2,028	1,662	2,028
Social security costs	189	153	189
Other pension costs	66	88	66
	<u>2,282</u>	<u>1,903</u>	<u>2,282</u>
			<u>1,903</u>

Aggregate number of full-time equivalent staff, including the executive team, whose remuneration, excluding pension contributions, exceeded £60,000 in the period:

	Group		Association
	2026	2025	2026
	No.	No.	No.
£60,001 - £70,000	3	3	3
£70,001 - £80,000	1	-	1
£80,001 - £90,000	-	-	-
£90,001 - £100,000	1	1	1
£100,001 - £110,000	1	1	1
£110,001 - £120,000	-	-	-
£120,001 - £130,000	1	1	1
£130,001 - £140,000	1	1	1

Notes to the Financial Statements

10. Pension obligations

The Association currently offers a defined contribution scheme run by The Pensions Trust to all employees with a choice of 4% or 8.25% matched contributions.

The Association has closed access for both new and existing employees to the Social Housing Pension Scheme (the Scheme), a multi-employer defined benefit scheme in the UK which provides benefits to some 500 non-associated employers.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004, which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and technical Actuarial Standards issued by the Financial Reporting Council, sets out the framework for funding defined benefit occupational pension schemes in the UK.

The last completed triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2023. This valuation revealed a reduced net deficit of £0.694m. The recovery plan continues with the aim of removing this deficit by 31 March 2028.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the Scheme is carried out with an effective date of 30 September each year. The liability figures from the valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for the accounting year-end 31 March 2026 and compared at that date with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2026	31 March 2025	31 March 2024
	£'000	£'000	£'000
Fair value of plan assets	3,786	3,534	3,520
Present value of defined benefit obligation	4,231	4,164	4,349
Deficit in the plan	(445)	(630)	(829)
Unrecognised surplus	-	-	-
Defined benefit liability to be recognised	(445)	(630)	(829)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period ended 31 March 2026	Period ended 31 March 2025
	£'000	£'000
Fair value of plan assets at start of period	3,534	3,520
Interest income	205	174
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(7)	(239)
Employer contributions	192	203
Benefits paid and expenses	(138)	(124)
Fair value of plan assets at end of period	3,786	3,534

Notes to the Financial Statements

10. Pension obligations (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Defined benefit obligation at start of period	4,164	4,349
Expenses	7	5
Interest expense	236	210
Actuarial (gains) losses due to scheme experience	(37)	163
Actuarial (gains) due to changes in demographic assumptions	36	-
Actuarial Losses (gains) due to changes in financial assumptions	(37)	(439)
Benefits paid and expenses	(138)	(124)
Defined benefit obligation at end of period	<u>4,231</u>	<u>4,164</u>

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME

	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Current service cost	-	-
Expenses	7	5
Net interest expense	31	36
Defined benefit costs recognised in the statement of comprehensive income	<u>38</u>	<u>41</u>

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2026 £'000	Period ended 31 March 2025 £'000
Experience on plan assets (excluding amounts included in net interest cost) - (loss) gain	(7)	(239)
Experience gains and losses arising on the plan liabilities - (loss) gain	37	(163)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(36)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	37	439
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	<u>31</u>	<u>37</u>
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	<u>31</u>	<u>37</u>

Notes to the Financial Statements

10. Pension obligations (continued)

ASSETS

	31 March 2026	31 March 2025
	£'000	£'000
Global Equity	419	396
Liquid Alternatives	674	655
Insurance-Linked Securities	6	11
Property	185	177
Infrastructure	-	1
Private Equity	8	3
Real Assets	356	423
Private Credit	457	432
Credit	151	135
Investment Grade Credit	223	109
Cash	1	48
Long Lease Property	-	1
Secured Income	115	59
Liability Driven Investment	1,154	1,070
Currency Hedging	-	6
Net Current Assets	37	8
Total assets	3,786	3,534

None of the fair values of the assets shown above includes any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS

	% per annum	% per annum
Discount Rate	6.02%	5.77%
Inflation (RPI)	3.33%	3.11%
Inflation (CPI)	3.02%	2.78%
Salary Growth	4.02%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2026 imply the following life expectancies:

	Life expectancy at age 65 Years
Male retiring in 2026	20.9
Female retiring in 2026	23.2
Male retiring in 2046	22.2
Female retiring in 2046	24.6

Notes to the Financial Statements

10. Pension obligations (continued)

ANALYSIS OF THE SENSITIVITY TO THE PRINCIPAL ASSUMPTIONS OF THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION

	Change in assumption	Change in liabilities
Discount rate	Increase of 0.1% p.a.	Decrease by 1.1%
Rate of inflation	Increase of 0.1% p.a.	Increase by 1.0%
Rate of salary growth	Increase of 0.1% p.a.	Increase by 0.0%
Rate of mortality	Probability of surviving each year increased by 10%	Increase by 1.7%

*The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation, pension increases and salary growth where appropriate.

11. Taxation on profit on ordinary activities

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
UK corporation tax on profit for the year	-	-	-	-
The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to the surplus before tax. The differences are explained below:				
Surplus/(deficit) on ordinary activities before tax	1,411	2,418	1,411	2,418
Tax on profit on ordinary activities at standard corporation tax rate of 25% (2025: 25%)	353	604	353	604
Effects of:				
Income not taxable for tax purposes	(353)	(604)	(353)	(604)
Adjustments to tax charge in respect of the previous period	-	-	-	-
Adjustments to tax charge due to a change in rates	-	-	-	-
Current tax charge for the period	-	-	-	-

Notes to the Financial Statements

12. Tangible fixed assets

Group and association	Housing properties			Total housing properties £'000	Other fixed assets		Total fixed assets £'000
	Social housing properties for letting - completed £'000	Social housing properties for letting - under construction £'000	Low-cost home ownership properties completed £'000		Furniture and office equipment £'000	Office £'000	
Cost							
At start of year	120,211	667	235	121,113	1,142	1,384	123,639
Additions to schemes under construction	-	2,125	-	2,125	-	-	2,125
Transfer to completed schemes	2,535	(2,535)	-	-	-	-	-
Component additions	1,066	-	-	1,066	118	-	1,184
Component disposals	-	-	-	-	-	-	-
At end of year	123,812	257	235	124,304	1,260	1,384	126,948
Depreciation and impairment							
At start of the year	21,207	-	33	21,240	866	146	22,252
Charge for the year	1,240	-	-	1,240	155	38	1,433
Component disposals	-	-	-	-	-	-	-
Transfers to/from investment property	-	-	-	-	-	-	-
At end of year	22,447	-	33	22,480	1,021	184	23,685
Net book value at end of year	101,365	257	202	101,824	239	1,200	103,263
Net book value at start of year	99,004	667	202	99,873	276	1,238	101,387

Notes to the Financial Statements

12. Tangible fixed assets (continued)

Housing Properties comprise:	2026 £'000	2025 £'000
Freeholds	58,613	59,189
Long leaseholds	40,364	37,828
Short leaseholds	2,847	2,847
	<u>101,824</u>	<u>99,873</u>

Cost of properties includes £nil (2025: £nil) for direct administrative costs capitalised during the year

	£'000	£'000
Works to existing properties in the year:		
Components capitalised	1,066	1,335
Other capital additions	118	154
Amounts charged to expenditure	332	282
	<u>1,516</u>	<u>1,771</u>

The aggregate amount of interest and finance costs included in the cost of housing properties

<u>842</u>	<u>842</u>
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Carrying value of tangible fixed assets pledged as security for liabilities is £43.94m (2025: £44.62m).

Interest is capitalised at the cost of funds to the Association and added to schemes under construction. Interest capitalised in 2026 was £nil (2025: £nil).

Notes to the Financial Statements

13. Investment properties held for letting

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At start of year	59,428	58,894	58,428	58,894
Additions	253	16	253	16
Disposal of asset	-	(1,399)	-	(1,399)
Transfer between tenure	-	96	-	96
Gain/(loss) on revaluation	<u>1,054</u>	<u>1,821</u>	<u>1,054</u>	<u>1,821</u>
At end of year	<u>60,735</u>	<u>59,428</u>	<u>60,735</u>	<u>59,428</u>

The Association's investment properties have been independently valued as at 31 March 2026 by Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book (but not for the avoidance of doubt as an External Valuer of the Fund as defined by the Alternative Investment Fund Managers Regulations 2013). The valuations accord with the requirements of IFRS 13 and the RICS Valuation – Global Standards (incorporating the IVSX International Valuation Standards) effective from 31 January 2020 together, where applicable, with the UK National Supplement effective 14 January 2019, together the "Red Book".

The valuer reported that the aggregate of the market value assuming vacant possession of each of the freehold and leasehold interests in the commercial properties amounted to £42m and in the residential properties £19m, in total £61m.

The valuations were arrived at predominantly by reference to market evidence for comparable property.

The profit on revaluation of investment property of £1,054k (2025: £1,821k) has been credited to the statement of comprehensive income for the year.

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows: cost £25,850k (2025: £25,597k).

Notes to the Financial Statements

14. Trade and other debtors

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Social housing rent arrears	697	670	697	670
Less: provision for doubtful debts	(488)	(507)	(488)	(507)
	<u>209</u>	<u>163</u>	<u>209</u>	<u>163</u>
Non-social housing rent arrears	625	488	625	488
Less: provision for doubtful debts	(81)	(111)	(81)	(111)
	<u>544</u>	<u>377</u>	<u>544</u>	<u>377</u>
Loan interest sinking fund (THFC)	913	918	913	918
Other debtors, prepayments and accrued income	563	941	563	941
	<u>2,229</u>	<u>2,399</u>	<u>2,229</u>	<u>2,399</u>

The rent arrears and provision for doubtful debts are shown separately for social and non-social (investment properties) purposes to be more informative for the reader of the accounts.

15. Cash and cash equivalents

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Money market investments	40	40	40	40
Cash at the bank	3,293	5,146	3,293	5,146
	<u>3,333</u>	<u>5,186</u>	<u>3,333</u>	<u>5,186</u>

In the above are balances totalling £57,781 (2025: £87,633), which are held in trust for leaseholders and £1,024,173 (2025: £942,886) in an equipment replacement sinking fund.

Notes to the Financial Statements

16. Creditors: amounts falling due within one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans and overdrafts (Note 17b)	3,429	643	3,429	643
Trade creditors	636	151	636	151
Amounts owed to group undertakings	-	-	29	29
Rents and service charges paid in advance	1,155	1,074	1,155	1,074
Service charge balances held on behalf of leaseholders	-	-	-	-
Accruals and deferred income	1,753	1,772	1,753	1,772
Deferred capital grant (Note 18)	476	476	476	476
Recycled capital grant fund (Note 19)	-	-	-	-
Other creditors	279	296	279	296
	<u>7,728</u>	<u>4,412</u>	<u>7,757</u>	<u>4,441</u>

17(a). Creditors: amounts falling due after more than one year

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans (Note 17b)	31,512	34,767	31,512	34,767
Deferred capital grant (Note 18)	44,326	44,502	44,326	44,502
Recycled capital grant fund (Note 19)	68	127	68	127
Service charge sinking funds	1,082	970	1,082	970
	<u>76,988</u>	<u>80,366</u>	<u>76,988</u>	<u>80,366</u>

Notes to the Financial Statements

17(b). Debt analysis

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Loans repayable by instalments:				
Within one year	429	643	429	643
In one year or more but less than two years	697	775	697	775
In two years or more and less than five years	1,568	1,552	1,568	1,552
In five years or more	1,881	2,249	1,881	2,249
	<u>4,575</u>	<u>5,219</u>	<u>4,575</u>	<u>5,219</u>
Loans not repayable by instalments:				
Within one year	3,000	-	3,000	-
In one year or more but less than two years	-	3,000	-	3,000
In two years or more and less than five years	-	-	-	-
In five years or more	29,700	29,700	29,700	29,700
	<u>32,700</u>	<u>32,700</u>	<u>32,700</u>	<u>32,700</u>
	<u>37,275</u>	<u>37,919</u>	<u>37,275</u>	<u>37,919</u>
Loan issue premium	(1,972)	(2,154)	(1,972)	(2,154)
Loan issue costs	(362)	(355)	(362)	(355)
Total loans	<u>34,941</u>	<u>35,410</u>	<u>34,941</u>	<u>35,410</u>

Loans are secured by specific charges on the Association's individual properties. The instalment loans are repayable monthly/quarterly at varying rates of interest.

The Association's interest rate profile at 31 March 2026 was:

	Total	Variable Rate	Fixed rate	Weighted Average rate	Weighted average term
At 31 March 2026	£'000	£'000	£'000	%	Years
Instalment loans	4,575	3,734	841	6.44	7.29
Non-instalment loans	32,700	3,000	29,700	4.54	9.64
	<u>37,275</u>	<u>6,734</u>	<u>30,541</u>	<u>4.78</u>	<u>9.22</u>
	Total	Variable Rate	Fixed rate	Weighted Average rate	Weighted average term
At 31 March 2025	£'000	£'000	£'000	%	Years
Instalment loans	5,219	3,335	1,883	6.09	7.56
Non-instalment loans	32,700	3,000	29,700	5.57	10.69
	<u>37,919</u>	<u>6,335</u>	<u>31,583</u>	<u>4.78</u>	<u>10.17</u>

Notes to the Financial Statements

18. Deferred capital grant

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
At start of the year	44,978	45,490	44,978	45,490
Grant received in the year	307	-	307	-
Transferred to recycled grant	-	(54)	-	(54)
Allocated from recycled grant	-	-	-	-
Released to income in the year	(484)	(458)	(484)	(458)
At the end of the year	<u>44,801</u>	<u>44,978</u>	<u>44,801</u>	<u>44,978</u>
	£'000	£'000	£'000	£'000
Amount due to be released < 1 year	476	476	476	476
Amount due to be released > 1 year	<u>44,325</u>	<u>44,502</u>	<u>44,325</u>	<u>44,502</u>
	<u>44,801</u>	<u>44,978</u>	<u>44,801</u>	<u>44,978</u>

19. Recycled capital grant fund - GLA

	Group and Association	
	2026	2025
	£'000	£'000
Opening balance	126	65
Inputs to RCGF:		
Grants recycled	-	56
Interest accrued	5	5
Grant allocated to development	-	-
Repayment of grant to GLA	(63)	-
Closing balance	<u>68</u>	<u>126</u>
Amount three years or older where repayment may be required	<u>-</u>	<u>-</u>
Amount due in less than one year	<u>-</u>	<u>-</u>
Amount due in more than one year	<u>68</u>	<u>126</u>

Notes to the Financial Statements

20. Non-equity share capital

	2026 £ and number of shares	2025 £ and number of shares
Group and Association		
Allotted Issued and Fully Paid		
At the start of the year	47	49
Issued during the year	3	-
Cancelled during the year	(1)	(2)
At the end of the year	<u>49</u>	<u>47</u>

The par value of each share is £1. The shares do not have a right to any dividend or distribution in a winding-up and are not redeemable. Each share has full voting rights. All shares are fully paid.

21. Capital commitments

	2026 £'000	2025 £'000
Group and association		
Capital expenditure that has been contracted for but has not been provided for in the financial statements	1,800	3,910
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	-
	<u>1,800</u>	<u>3,910</u>

	2026 £'000	2025 £'000
The Association expects these commitments to be financed with:		
Social housing assistance (recycled capital grant)	-	58
Committed loan facilities	-	2,110
Proceeds from the sales of properties	-	-
Existing cash resources	1,800	1,742
	<u>1,800</u>	<u>3,910</u>

	2026 £'000	2025 £'000
Capital commitments will be incurred over the next:		
In less than one year	-	2,110
In one year or more but less than two years	1,800	1,800
In two years or more and less than five years	-	-
In five years or more	-	-
	<u>1,800</u>	<u>3,910</u>

Notes to the Financial Statements

22. Operating leases

Soho Housing has several commercial properties. The commitments of future minimum lease payments from those lessees to Soho Housing is as follows:

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Land and buildings:				
Less than one year	1,494	1,385	1,494	1,385
One to five years	5,490	5,744	5,490	5,744
More than 5 years	2,254	3,060	2,254	3,060
	<u>9,238</u>	<u>10,189</u>	<u>9,238</u>	<u>10,189</u>

Soho Housing, as a lessor, rents housing properties to many residential tenants. Their tenancy agreements allow them to cease their tenancy by giving 4 weeks' notice.

23. Contingent Liabilities

Group and Association	2026	2025
	£'000	£'000
The total accumulated government grant and financial assistance received or receivable at 31 March:		
Held as a deferred capital grant	44,801	44,978
Recognised as income in the income and expenditure reserve	16,562	16,078
	<u>61,364</u>	<u>61,056</u>

There is a contingent liability of £16,562k (2025: £16,078k) government grant that has been amortised and taken to the reserves as at 31 March 2026. If there is a disposal of any property to which this grant is attached, the amount may become repayable.

Notes to the Financial Statements

24. Subsidiaries

The Association has one wholly owned subsidiary and an interest in a joint venture, both registered in England:

Name	Incorporation and ownership	Regulated/ non-regulated	Nature of Business
Soho Ltd	Company – 100%	Non-regulated	Residential property management
West Smithfield Development LLP	LLP – 50%	Non-regulated	Property development

The Association currently has four properties on short lease to Soho Limited (the Company). Under the terms of the leases, the Company lets the properties at market rent and passes the rent on to the Association. There were no further transactions between the Association and Soho Limited during the year, and there is an intercompany debt of £29k between Soho Limited and the Association on 31 March 2026 (2025: £29k).

West Smithfield Developments LLP is a joint venture in liquidation. As at 31 March 2026, the LLP owed £nil (2025: £nil) to the Group. The LLP distributed £nil to Soho Limited (2025: £nil). No further distribution is expected.

26. Related parties

The Chief Executive's partner manages the Soho Gallery, 36 Great Pulteney Street and received £24,000 for this service (2025: £13,600) together with £18,622 reimbursed running expenses.